

UNITED STATES OF AMERICA  
UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

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A. GREGORY EATON, et al.,	)	
	)	
Plaintiffs,	)	Case No. 1:11-cv-178
	)	
v.	)	Honorable Robert Holmes Bell
	)	
CULLAN F. MEATHE,	)	
	)	<b><u>ORDER TO SHOW CAUSE</u></b>
Defendant.	)	
	)	

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This is a civil action alleging claims for fraud, breach of an operating agreement, and conversion. Plaintiffs are Lansing Farms, LLC, a limited liability company, and A. Gregory Eaton, a member of the limited liability company. Defendant is Cullan F. Meathe, the other member of the plaintiff LLC. By notice of removal filed February 18, 2011, defendant removed the matter from the Ingham County Circuit Court to this court, allegedly on the basis of complete diversity of citizenship. 28 U.S.C. § 1332(a). The notice of removal (docket # 1, ¶ 3) identifies plaintiff Lansing Farms, LLC as a citizen of the State of Michigan, based on the state of its incorporation and its principal place of business.

Upon review of the notice of removal, I conclude that this court may lack subject-matter jurisdiction on the basis of diversity of citizenship. Under controlling law, a limited liability corporation does not derive its citizenship from its states of incorporation and principal place of business. *See Delay v. Rosenthal Collins Group, LLC*, 585 F.3d 1003, 1005 (6th Cir. 2009). Rather, a limited liability corporation has the citizenship of each of its members. *Id.*; *accord V&M Star, L.P.*

*v. Centimark Corp.*, 596 F.3d 354, 356 (6th Cir. 2010). Under these authorities, plaintiff Lansing Farms, LLC has the citizenship of each of its two members: Michigan (derived from its member plaintiff A. Gregory Eaton) and Florida (derived from its other member, defendant Cullan Meathe). Because Mr. Meathe is a citizen of the State of Florida, as is plaintiff, diversity of citizenship apparently does not exist.

The parties are hereby ordered to show cause, if any they have, why this case should not be remanded to the Ingham County, Michigan, Circuit Court for lack of subject-matter jurisdiction pursuant to 28 U.S.C. § 1447(c). The parties must show cause no later than **December 8, 2011**, by filing a brief, supported by evidentiary materials if desired, demonstrating the existence of complete diversity of citizenship. After the time for response of this order has expired, the district judge will review the record and determine whether this court has subject-matter jurisdiction.

Pending resolution of the jurisdictional issue, discovery shall proceed. The expiration of the discovery cutoff and motion cutoff dates is hereby STAYED, pending further order of the court. Plaintiff's motion for sanctions (docket # 57) is hereby DISMISSED as moot.

DONE AND ORDERED this 28th day of November, 2011.

/s/ Joseph G. Scoville  
United States Magistrate Judge